

CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED

SEVENTEENTH
ANNUAL
REPORT
1926

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED



BOARD OF DIRECTORS

W. F. ANGUS, MONTREAL	V. M. DRURY, MONTREAL
HON. C. P. BEAUBIEN, SENATOR, MONTREAL	WM. McMASTER, MONTREAL
H. W. BEAUCLERK, MONTREAL	HON. E. C. SMITH, ST. ALBANS, VT.
W. W. BUTLER, MONTREAL	HON. LORNE C. WEBSTER, SENATOR, MONTREAL
F. H. CLERGUE, MONTREAL	MARK WORKMAN, MONTREAL
HON. N. CURRY, SENATOR, MONTREAL	



OFFICERS

HON. N. CURRY, *Chairman of the Board*

W. W. BUTLER, *President*

W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	J. B. BRODIE, <i>Treasurer</i>
A. C. BOURNE, <i>Secretary</i>	L. A. PETO, <i>Comptroller</i>



SOLICITORS

WAINWRIGHT, ELDER & McDOUGALL, MONTREAL



BANKERS

BANK OF MONTREAL
THE ROYAL BANK OF CANADA



GENERAL OFFICES

307 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED



BOARD OF DIRECTORS

HON. C. P. BEAUBIEN	W. W. BUTLER	H. W. BEAUCLERK
W. F. ANGUS	HON. LORNE C. WEBSTER	V. M. DRURY

OFFICERS

	W. W. BUTLER, <i>President</i>	
W. F. ANGUS, <i>Vice-President</i>		W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>		J. B. BRODIE, <i>Treasurer</i>
A. C. BOURNE, <i>Secretary</i>		L. A. PETO, <i>Comptroller</i>



THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN	W. W. BUTLER	H. W. BEAUCLERK
W. F. ANGUS		V. M. DRURY

OFFICERS

	W. W. BUTLER, <i>President</i>	
W. F. ANGUS, <i>Vice-President</i>		W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>		J. B. BRODIE, <i>Treasurer</i>
A. C. BOURNE, <i>Secretary</i>		L. A. PETO, <i>Comptroller</i>



AGENCY OF CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY	V. M. DRURY	W. W. BUTLER
F. H. CLERGUE		T. S. WYLLY, JR.

OFFICERS

HON. N. CURRY, <i>President</i>
W. W. BUTLER, <i>Vice-President</i>
A. C. BOURNE, <i>Secretary and Treasurer</i>

**Canadian Car & Foundry Company, Limited
and Canadian Steel Foundries, Limited
and other Associated Companies**

**CONSOLIDATED STATEMENT OF SURPLUS AND
PROFITS, SEPTEMBER 30, 1926**



Combined Profits for the Fiscal Year ending September 30, 1926..	\$714,825.58
LESS:	
Interest on Bonds Outstanding	\$339,705.96
Interest on Negotiable Scrip.....	45,348.39
	<u>\$385,054.35</u>
Less: Interest Earned (Net)	132,088.71
	<u>252,965.64</u>
Profit for Fiscal Year before providing for Depreciation.....	\$ 461,859.94
Surplus at September 30, 1925.....	2,655,349.11
	<u>\$3,117,209.05</u>
LESS:	
Appropriation for Depreciation	402,000.00
	<u>\$2,715,209.05</u>
DEDUCT:	
Dividends declared 7% on Preference Stock.....	525,000.00
SURPLUS carried forward September 30, 1926.....	<u><u>\$2,190,209.05</u></u>

CANADIAN CAR & FOUNDRY AND CANADIAN STEEL FOUNDRIES, LIMITED

CONSOLIDATED BALANCE SHEET

ASSETS

COST OF PROPERTIES:

Real Estate, Buildings, Machinery, Patents and Goodwill, as at September 30, 1925.....	\$23,227,728.70
Addition during Fiscal Year—Net.....	35,464.87
	\$23,263,193.57

SCRIP REDEMPTION FUND INVESTMENT:

Balance of provision set aside annually for redemption of 6% Scrip (invested in Government Bonds).....	370,604.50
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CURRENT ASSETS:

Inventories of manufactured and partly manufactured product, materials and supplies at cost or less, and not in excess of present market prices.	\$1,982,271.02
Accounts Receivable (Less Reserve).....	879,201.06
Bonds and Other Securities (not above market values):	
Dominion of Canada Bonds..	\$2,117,356.50
Companies' Own Bonds.....	81,805.99
Miscellaneous Investments... ..	313,690.80
	2,512,853.29
Cash in Bank.....	272,964.52
	5,647,289.89
DEFERRED CHARGES.....	86,990.61

\$29,368,078.57

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, for the year ending September 30, 1926, and have obtained all the information and explanations which we required. And we certify that, in our opinion, the above Balance Sheet at September 30, 1926, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

MONTREAL, November 12th, 1926.

PRICE, WATERHOUSE & CO.,

Auditors.

COMPANY, LIMITED

AND OTHER ASSOCIATED COMPANIES

SEPTEMBER 30, 1926

LIABILITIES

CAPITAL STOCK:

Preference: Seven per cent cumulative and participating:

Authorized and Issued—75,000 Shares of \$100 each..... \$7,500,000.00

Ordinary:

Authorized—50,000 Shares of \$100 each..... \$5,000,000.00

Issued —49,750 Shares of \$100 each..... 4,975,000.00

BONDED DEBT:

Canadian Car & Foundry Company, Limited:

First Mortgage Thirty Year Six Per Cent Sinking Fund Gold Bonds, due 1939. Authorized and Issued.....\$7,500,000.00

LESS: Held in Treasury.....\$1,225,000.00

Redeemed by

Sinking Fund.... 2,666,727.30

3,891,727.30

\$3,608,272.70

Canadian Steel Foundries, Limited:

First Mortgage Collateral Trust

Bonds Six Per Cent, due 1936

(Authorized \$5,000,000)..... \$3,650,000.00

LESS: Bonds held in escrow by

Montreal Trust Company for

redemption of Montreal Steel

Works, Limited, Bonds.....

575,921.40

\$3,074,078.60

LESS: Retired by Sinking Fund.. 1,778,571.97

1,295,506.63

First Mortgage Six Per Cent Gold Bonds, due 1940,
of the Montreal Steel Works, Limited.....

475,000.00

5,378,779.33

**SEVEN YEAR SIX PER CENT NEGOTIABLE SCRIP, DUE
DECEMBER 24, 1927.** (Less amount held in Treasury).....

675,292.00

CURRENT LIABILITIES:

Demand Loans (secured)..... \$500,000.00

Accounts Payable and Pay Rolls..... 739,675.14

Interest Accrued..... 98,938.40

Dividend Payable October 9, 1926, 1¼% on Pref.
Shares..... 131,250.00

1,469,863.54

RESERVES:

Depreciation Reserves..... \$6,506,454.67

Special Reserve Fund..... 500,000.00

Operating and Miscellaneous Reserves..... 172,479.98

7,178,934.65

SURPLUS, as per attached statement.....

2,190,209.05

\$29,368,078.57

Approved on behalf of the Board:

W. W. BUTLER,
Director.

L. A. PETO,
Comptroller.

FRANCIS H. CLERGUE,
Director.

SEVENTEENTH ANNUAL REPORT

YEAR ENDED SEPTEMBER 30, 1926



To the Shareholders:

Your Directors submit herewith the Seventeenth Annual Report of your Company and of its Subsidiaries, the Canadian Steel Foundries, Limited, and The Pratt & Letchworth Company, Limited, covering combined operations for the year ended September 30th, 1926.

The year's business was again disappointing. The total value of cars shipped amounted to less than \$5,000,000, and as the bulk of this business was booked after the last annual meeting, six months of the fiscal period had elapsed before your car shops were operating to any extent, and even then much below normal capacity.

Your Subsidiary Companies benefited somewhat from the improved trade conditions throughout the Country, and the volume of their general business was considerably in excess of last year, but did not exceed fifty per cent of normal production.

The combined results show an operating profit of \$461,859.94 as compared with \$72,228.97 last year, or an improvement of \$389,630.97.

Sinking Fund payments during the year retired your Companies' Bonds to the extent of \$453,217.00, and in addition, funds totalling \$243,750.00 were set aside during the year towards the retirement of 6% Negotiable Scrip.

The Balance Sheet disclosed an excess of current assets over current liabilities of \$4,177,426.00 as compared with corresponding figures of \$4,946,988.00 last year, or a reduction in working capital to the extent of \$769,562.00. This reduction is accounted for by the retirement of Bonds and Scrip and the payment of Cumulative Preferred Dividends.

The orders carried forward to the next fiscal period totalled \$1,800,000.00 and represented a considerable increase over the corresponding figure of last year. It is to be hoped that in the near

future your Companies will profit from the improvement in general business conditions throughout the Dominion, which should insure a steadily increasing demand for your Companies' products.

Your various properties have been properly maintained in good condition throughout the year.

Your Directors are pleased to take this opportunity of expressing appreciation of the efficient services rendered by the Officers and Employees throughout the year.

For the Directors,

(Signed) W. W. BUTLER,
President.

*November the Twenty-Fifth,
Nineteen hundred and Twenty-six.*

